



ANNUAL CORPORATION MEETING

June 24, 2019



CCOC Annual Corporation Meeting

June 24, 2019 – 4:00 pm

Location: Omni Orlando Resort at ChampionsGate
1500 Masters Boulevard, ChampionsGate, FL 33896
(ChampionsGate Room)

Call in number: 904 512-0115, Code 412463

- 1) Call to Order, Introduction, and Approval of Agenda Hon. Stacy Butterfield
- 2) Invocation..... Hon. John Crawford
- 3) Roll Call..... Hon. JD Peacock
- 4) Report from the Chair Hon. Stacy Butterfield
- 5) Approve minutes from 2018 Annual Corporation Meeting Hon. JD Peacock
- 6) Treasurer's Report Hon. JD Peacock
 - i) Financial Statement (Audit) 17/18
 - ii) CFY 17/18 End of Year Financial Report
 - iii) CFY 18/19 Latest Financial Report
- 7) Tentative Council Meeting Dates and Workplan for SFY 19/20 John Dew
- 8) Proposed Corporation Budget for CFY 19/20 Hon. JD Peacock
- 9) Other Business

Council Organizational Session for the Swearing in of Council Members

- 1) Swearing in of Newly Elected Council Members Hon. JD Peacock
- 2) Election of CCOC Executive Committee Board Hon. Stacy Butterfield
 - a. Only Council Members can nominate and vote on election of Executive Committee.

DRAFT MINUTES

CCOC Special Annual Corporation Meeting

May 9, 2018 - 1pm EDT

The Plantation on Crystal River (Sable D Room)

The May 9, 2018 Annual Meeting of the Corporation of the Florida Clerks of Court Operations Corporation (CCOC) was called to order at 1:05 p.m., EDT by the CCOC Executive Council Chair Ken Burke.

ROLL CALL

Clerks in the audience and on the telephone are all voting members of the CCOC Corporation. Chair Burke asked Clerk Green to take roll. She called each county and marked whether the Clerk was attending the meeting in person or on the phone. Thirty-nine Clerks were present by phone or in person.

AGENDA

Chair Burke noted that there was only one item on the agenda. Clerk Murphy submitted suggested changes to the Plan of Operations which in effect would rescind some of the revisions made to the Plan at the June 2017 Annual Corporation meeting. It is in the language that is being proposed now. As required by the Plan of Operations the suggested revision has been provided to all Clerks within the seven-day window prior to a vote. He asked Clerk Murphy if she was ready to make the motion to accept these changes to the Plan of Operations as she submitted. She said she is now making the motion but first spend several minutes indicating it was her opinion that the method to change the Plan in 2017 was not done with everyone being fully aware of those changes. Chair Burke stated that the motion is to accept the document with her suggested change that was sent out to all Clerks with these changes. That is the motion on the floor. It is a proper motion because there was a 7-day notice and it appears all Clerks are aware of the suggested changes. Clerk O'Neil seconded the motion.

Chair Burke asked if there was any discussion. Clerk Johnson asked if Chair Burke would go over each of the Plan of Operation revisions under the motion. The changes that were sent out were:

1. In section 2.2 on page 4, the words "within their population group" are being stricken.
2. In section 2.6 on page 6, the words "a majority of the Corporation membership" are being added to read "a quorum will consist of a majority of the Corporation membership. This includes counting those present in person and by the phone."
3. On page 9, Section 4.3 is being added. It reads, "For efficiency and economic benefit to the public, the Chair of the Corporation and its Executive Director shall meet with the President of the Florida Association of Court Clerks, Inc., and its Executive Director regularly to coordinate efforts related to economic budget and legislative-issues."

Chair Burke said that these are the changes in the motion made by Clerk Murphy.

Clerk Doggett spoke next. She wanted to understand the objection to the Plan of Operation changes from 2017. The CCOC sends out regularly hundreds of pages for about all their meetings. The meetings are public, and the Clerks are allowed to be part of the meeting. It is common to have a hundred pages for the CCOC meetings. She feels that there is nothing out of the ordinary here and everybody had a chance to read the changes. Now this modification is being presented in the same way as the original changes to the Plan of Operations were submitted. Then why is this okay and the original change was not okay? She stated that it is not clear why the changes were a problem. The changes were made, and you move on

to the next year. If the majority is not happy with the changes then changes will be made at that time. She said that she will vote against the changes because the 2017 changes were done in order and she had no issue with the process.

Chair Burke asked for other comments. Clerk Johnson had one and then Clerk Ruvin. Clerk Johnson noted that all the CCOC members vote on the Clerks' budgets and they do a lot of decisions that affect all of us. The reason she is going to vote for this motion is if someone is going to make a decision that affects me then I should be able to vote for that person. She feels that all Clerks should be able to vote for all the members of the CCOC Executive Council.

Clerk Ruvin was next to speak. He noted that when the CCOC was created he was very much involved. The FCCC is a trade organization and each member has one vote. Whether you are in a county that has 11,000 people or 2.7 million, you have the same vote on items that come up before the FCCC. The CCOC was created by the Legislature and it is not a trade organization. One of the deliberative factors was that it be more like the Legislature than the FCCC. In doing that the understanding was at least 50% of the members of the CCOC would be from counties with over 500,000 or more. This was to try and even out or balance it. What you are proposing today totally undermines that. He therefore will vote against it.

Clerk Green said she does not think there is a right or wrong way on how you could do this. She thinks that both ways would be effective. When she looked at it, I had the frame of mind of being on the FCCC side and the Executive Committee side. She looked at it from the same model as the district level. You vote on leadership that is going to lead us on committees and on boards, most of that is done at the district level in similar counties. It is a model from the CCOC side that is more reflective how we have been operating on the FCCC side in the election of our district representatives. There is no right or wrong answer, but what is the best way we want to address the voting mechanism of who you want to put in leadership on the CCOC side.

Clerk Colonesso said that after consulting with her attorney, on the matter, he advised her that it was contrary to Florida Statutes. So that is really the issue here. It is not a matter whether we agree to changes or not, but whether are we going to follow the Florida Statutes. The way it was designed prior to the change, follows the Florida Statutes. She feels that we have to vote for this because it makes it more in line with Florida Statutes.

Clerk Burke asked CCOC General Counsel Joe Boyd to address the issue of compliance with the Florida Statutes. Mr. Boyd stated that it was legally compliant and completely in line. Chair Burke asked if that answered her question. Clerk Colonesso stated she disagreed with Mr. Boyd's opinion but there are two sides to every story.

Clerk Bock spoke next. She noted that she is a process driven person. Being on the Council and even being the Chair of this CCOC Council, she takes the Plan of Operations very seriously. She has studied it and looked at it over the years. She understands the issues that are being talked about right now. However, as both Harvey and Linda pointed out, she believes the Executive Committee and the Council, both used the right process in changing the Plan of Operations in 2017. Therefore, for her to vote right now to change them back again without the CCOC Executive Council reviewing these makes her uncomfortable. She thinks that if anything, we should have a Plan of Operations Committee and they go back and review the suggested revisions. As far as changing the Plan of Operations with just one meeting, she thinks that this is an improper venue to do it.

Clerk Doggett was recognized. She believes that both parties have very valid perspectives and when talking about budget issues that larger counties and Clerk Ruvin was very clear in his concerns. When we are talking budget issues, the larger counties have the larger issues. If they do not believe they will be fairly represented on the Council due to today's revision they will want to change it back. Last year's revision makes sense and she said that should be supported for this year because it was voted on and approved by a valid process. There was legal counsel that reviewed the change and the process and there was nothing wrong with it. To have an out of schedule revision to review the changes is unnecessary. She thinks that we should not pull the revision that we voted on at our annual meeting last year from the Plan of Operations.

Clerk Johnson asked to speak again. She wanted to respond to something that Clerk Doggett said and make sure the Clerks on the phone understand. Prior to the change being made last June, all Clerks were able to vote for all Council members. The Clerks could vote for Clerks in each population group besides just their own. She recognizes all the different sizes and all, but her problem was the process that occurred last June, no one knew that we were only voting for the people on the Council within our population group. So, presently she can only vote for two representatives from her own population group and not representatives from the other three population groups. She wants Clerks to understand that. As far as the vote today, she is going to vote for Clerk Murphy's motion.

Chair Burke asked if there was any more discussion from the room or on the phone. Hearing none he read a letter from Clerk Butler which she asked to be read into the minutes. The letter read "Dear Ken, due to health reasons, I will not be able to attend the meeting on May 9, 2018. Please accept this letter as my vote (and read into the minutes of the May 9, 2018 meeting) to rescind the Plan of Operation adopted by the CCOC in June 2017. I believe the "Plan of Operations" should be governed by Florida Statutes 28.35, and voted on by all 67 Clerks, as to all population groups. I also have concerns about the quorum and other aspects of the "Plan of Operation" and feel that all CCOC members represent all Clerks. My vote is to rescind the "Plan of Operation", voted on by the CCOC Corporation at the Summer Conference in June 2017. Sincerely, Barbara S. Butler."

Clerk Burke called for a roll call vote to address the motion that revises some of the Plan of Operations but does not rescind the complete Plan. Clerk Green called all 67 Clerks names. Clerk Green stated that the vote was favorable, and the motion passed.

Chair Burke said the changes will go into effect immediately and will impact the Council election for this year. There was no other business and the meeting was suspended temporarily at 1:56 PM to be continued at the Summer Conference on June 25th, 2018.

DRAFT MINUTES

Reconvening of the May 9, 2018 Corporation Annual Meeting

June 25, 2018 – 2:56 pm EDT

West Palm Beach Hilton, 600 Okeechobee Blvd, West Palm Beach, FL 33401

Oceana D Meeting Room

The May 9, 2018 Annual Meeting of the Corporation of the Florida Clerks of Court Operations Corporation (CCOC) was reconvened at 2:56 PM EDT on June 25, 2018 and called to order by Executive Council Chair Ken Burke.

ROLL CALL

He asked Clerk Green to call roll by county to see if there was a quorum. Chair Burke announced there was a quorum.

AGENDA

Chair Burke asked that the agenda be approved. Clerk Butterfield made a motion to approve the agenda. Clerk Green seconded the motion. Vote was taken, and the motion passed.

CHAIR'S REPORT

Chair Burke presented the Chair's report by highlighting items that have occurred over the last year and acknowledged people that have helped this year. He began by thanking Jason Harrell with CCOC's for the Corporation rebranding, making the new website user friendly, and getting involved with social media. Data collection has improved. He thanked the CCOC staff for all they do and their involvement. He noted that "Telling the Clerk's Story" with the Framework has included both the Budget and PIE Committees. It is very convincing. Also, there was a very successful compliance/collection summit. This was a team effort by the FCCC and CCOC. CCOC is required by the Legislature to submit a list of options for funding. We have complied with that. They did not take action, but we did our part. Again, he thanked Jason Harrell for making sure that the Clerks know monthly how the revenue picture looks. An email was sent to all Clerks letting them know in a graphic format how we were doing on our revenue. This was a good way to keep the Clerks updated monthly. It was a good communication tool and he hopes that it continues.

There have been meetings between FCCC and CCOC. Clerk Johnson, Chris Hart, John Dew and himself have met on several occasions by phone and in person to collaboratively work on items of interest to both organizations. The CCOC took the lead on the Holland and Knight study by authorizing the hiring of them to look into the money situation. Clerk Bock was instrumental in getting CCOC to engage a firm to look into these dollar amounts and the statutory language and to show that the Clerks are entitled to these. He thanked Clerk Bock for her leadership and her staff.

Chair Burke thanked Clerk Eaton for heading a workgroup that worked on the technical issues of Senate Bill 2506. During the Legislative session, CCOC provided bill analyses on many bills. Clerk Timmann was our Legislative Chair and she worked with Jason collaboratively with the Budget Committee and FCCC to make sure the inquiries from the Legislature had an analysis that was presented. He continued by thanking Clerk Butterfield for working through the impact of Hurricane Irma. The Annual report which is a Legislative mandate was submitted on time. The Auditor General audited CCOC and gave us a favorable report. There were very minimal issues with that report. He acknowledged that those were good accomplishments and that ended his report.

MINUTES

Next on the agenda was the approval of the minutes from last year's June 12th Annual meeting. The motion was made by Clerk Jeff Smith. Clerk O'Neil seconded the motion. The vote was taken, and the minutes were approved.

TREASURER'S AND FINANCIAL REPORT

Next was the Treasurer's report which could be found on page 6 through 46. Clerk Green noted that there were no issues on the financial audit that is included. The budget is a continuation budget. The 16-17 budget expended 85% of the budget. That was due mostly to vacant positions. The 17-18 budget has 60% expended to date. Chair Burke asked if there were any questions. Hearing none, he asked for a motion to approve the report. Clerk Bock made the motion to approve the financial report. Clerk Moore Russell seconded the motion. There were no questions and the vote were taken. The motion passed.

Chair Burke noted that Clerk Green had mentioned the budget found on page 49-50. He asked for a motion to approve the CCOC budget. Clerk Smith made the motion and Clerk Moore Russell seconded. There was no discussion. The vote was taken, and the motion carried.

PROPOSED DATES FOR THE 18/19 BUDGET YEAR

Clerk Burke noted that the proposed dates in the packet are for informational purposes only and are subject to change. This is just a schedule of meetings in cooperation with FCCC.

PLAN OF OPERATIONS

Clerk Burke said that this is where we take up any changes to the CCOC Plan of Operations. He noted that there were no additional suggested revisions to the Plan provided to the Council or Corporation members since the suggested changes were approved at the May 9th period of the Annual Corporation meeting.

OTHER BUSINESS

Clerk Butterfield asked if the plaques could be given to Clerks Smith, Bock and Burke who were recognized at the Executive Council meeting. The plaques were given to each for their service to the CCOC as members of the Executive Council and each spoke.

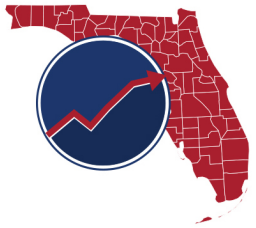
The annual meeting was adjourned.

CCOC EXECUTIVE COUNCIL ORGANIZATIONAL MEETING

Chair Burke asked the newly elected Clerks who will serve on the CCOC Executive Council to come forward. They took the oath and were congratulated by Chair Burke.

Next was the election of Council officers which would be voted on only by the Council members. Chair Burke said that he would entertain a motion for electing the Chair of the CCOC Executive Council. Clerk Peacock nominated Clerk Butterfield. Clerk Ruvin seconded the nomination. He asked if there were any additional nominations. A motion was made to close the nominations by Clerk O'Neil. Clerk Ruvin seconded the motion. The vote was taken and Clerk Butterfield by acclamation was elected Chair of the CCOC Executive Council. Next was the nominations for Vice-Chair. Clerk Butterfield nominated Clerk Green and seconded by Clerk Ruvin. Clerk Newton made a motion to close the nominations and it was seconded by Clerk O'Neil. The vote was taken and Clerk Green by acclamation was elected Vice Chair. The next nomination was for Secretary Treasurer. Clerk Green nominated Clerk Peacock and it was seconded by Clerk Frank. Clerk Butterfield moved that the nominations be closed. Clerk O'Neil seconded the motion. The motion carried and Clerk Peacock by acclamation was elected Secretary Treasurer.

Clerk Burke thanked everyone and the Organizational meeting was adjourned.



CCOC

FLORIDA CLERKS OF COURT
OPERATIONS CORPORATION

Stacy Butterfield, CPA
POLK COUNTY
EXECUTIVE COUNCIL CHAIR

Tara S. Green
CLAY COUNTY
VICE-CHAIR

JD Peacock, II
OKALOOSA COUNTY
SECRETARY/TREASURER

JOHN CRAWFORD
NASSAU COUNTY

HARVEY RUVIN, ESQ.
MIAMI-DADE COUNTY

VACANT
HOUSE APPOINTEE

PAT FRANK
HILLSBOROUGH COUNTY

RON FICARROTTA
13TH JUDICIAL CIRCUIT JUDGE
SUPREME COURT APPOINTEE

JOHN DEW
EXECUTIVE DIRECTOR

TODD NEWTON
GILCHRIST COUNTY

ANGELINA "ANGEL"
COLONNESO, ESQ.
MANATEE COUNTY
SENATE APPOINTEE

JOE BOYD
GENERAL COUNSEL

PAULA S. O'NEIL, PH.D.
PASCO COUNTY

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AGENDA ITEM 6

DATE: June 24, 2019

SUBJECT: Corporation Treasurer's Report

CORPORATION ACTION: For information only

OVERVIEW:

Historically at the Annual Corporation meeting, the CCOC Treasurer provides members the "Financial Statement" from the previous year as well as the previous fiscal year's end of year financial report. Likewise, the Treasurer provides an update on the fiscal condition of the Corporation for the current year. These reports are attached.

1. CCOC CFY 17/18 Financial Statement- The CPA firm of Lanigan and Associate provided the independent financial statement to the CCOC in January 2019. The Executive Council received the report at their February 22, 2019 meeting. According to the financial statement the auditors stated that "In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the Florida Clerks of Court Operations Corporation as of September 30, 2018, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America."
2. CFY 17/18 End of Year Financial Report- The CCOC office expended \$1,317,247 dollars of the approved \$1.6 million budget. Some of the reasons for having unspent budget authority at the end of that year was under-expending for some of the contractual services, less dollars being expended for General Counsel services, less dollars for the OPS position, and less dollars expended for staff training.
3. CFY 18/19 Financial Report- Through 8 months of the fiscal year the CCOC has expended approximately 60% of our budget authority. We will stay within the approved budget authority of \$1.6 million yet expect to be spending more dollars than the previous year.

ATTACHMENTS:

- 1) CCOC CFY 17-18 Financial Statement
- 2) CFY 17-18 End of Year Financial Report
- 3) CFY 18-19 Financial Report

**FLORIDA CLERKS OF COURT
OPERATIONS CORPORATION
(A Component Unit of the State of Florida)
TALLAHASSEE, FLORIDA**



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida Clerks of Court Operations Corporation
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Florida Clerks of Court Operations Corporation (a component unit of the State of Florida), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independent Auditor's Report
Page Two

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Clerks of Court Operations Corporation as of September 30, 2018, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 and 5 and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Florida Clerks of Court Operations Corporation's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.650, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Independent Auditor's Report
Page Three

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2019, on our consideration of the Florida Clerks of Court Operations Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Florida Clerks of Court Operations Corporation's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
January 23, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Florida Clerks of Court Operations Corporation's (the FCCOC) financial performance provides an overview of the FCCOC's financial activities for the year ended September 30, 2018. Please read it in conjunction with the FCCOC's basic financial statements, which begin on page 6.

The Florida Clerks of Court Operations Conference (the Conference) was established in 2003 by Section 28.35, *Florida Statutes*, to establish a process for the review and approval of court-related proposed budgets submitted by the respective Clerks of the Court. The 2004 session of the Florida Legislature amended Section 28.35, *Florida Statutes*, making the Conference a public corporation and changing its name to Florida Clerks of Court Operations Corporation.

During the 2009 session, the Florida Legislature changed the FCCOC from a quasi-governmental form of government to a governmental fund housed under the Justice Administrative Commission (JAC). The Florida Legislature identified a source of court fees, collected from the Clerks throughout the State, to fund the operations of the FCCOC.

Beginning on July 1, 2013, the Florida Legislature changed the structure and funding for the FCCOC. The corporation reverted back to being a separate entity with a September 30 fiscal year end and will no longer be housed under the JAC. Instead, the FCCOC will be funded pursuant to a contract with the Chief Financial Officer of the State of Florida. The employees of the corporation will still participate in the Florida Retirement System. Further, the Corporation may hire staff and pay other expenses necessary to perform the official duties and responsibilities.

The FCCOC issues basic financial statements comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The FCCOC is considered a blended component unit of the State of Florida.

The FCCOC implemented Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment to GASB Statement No. 27*, which requires employers providing a defined benefit plan to report their net pension liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The following table presents the FCCOC's condensed Statement of Net Position as of September 30, 2018 and 2017, as derived from the government-wide Statement of Net Position.

Table 1 – Net Position

	<u>2018</u>	<u>2017</u>
Total Assets	\$ 972,293	\$ 913,480
Deferred Outflows of Resources	421,889	514,980
Total Liabilities	(828,029)	(872,627)
Deferred Inflows of Resources	<u>(138,067)</u>	<u>(102,473)</u>
Net Position	<u>\$ 428,086</u>	<u>\$ 453,360</u>

The following table presents the FCCOC's condensed Statement of Activities for year ended September 30, 2018 and 2017, as derived from the government-wide Statement of Activities.

Table 2 – Changes in Net Position

	<u>2018</u>	<u>2017</u>
Total Revenues	\$ 1,508,329	\$ 1,431,928
Total Expenditures	<u>1,533,603</u>	<u>1,520,766</u>
Change in Net Position	(25,274)	(88,838)
Net Position - Beginning of Year	<u>453,360</u>	<u>542,198</u>
Net Position Ending	<u>\$ 428,086</u>	<u>\$ 453,360</u>

Requests for Information

Questions concerning any of the information provided in this report or requests for additional information should be addressed to John Dew, Executive Director, Florida Clerks of Court Operations Corporation, 2560-102 Barrington Circle, Tallahassee, Florida 32308.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 948,240
Prepaid Expenses and Other Assets	4,107
Noncurrent Assets	
Capital Assets:	
Equipment, Net	19,946
Total Assets	<u>972,293</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	<u>421,889</u>
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	29,087
Compensated Absences - Current	17,749
Noncurrent Liabilities	
Compensated Absences	70,998
Pension Liability	710,195
Total Liabilities	<u>828,029</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	<u>138,067</u>
NET POSITION	
Net Investment in Capital Assets	19,946
Unrestricted	408,140
Total Net Position	<u><u>\$ 428,086</u></u>

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>State Appropriations</u> <u>and Court Fees</u>	<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in Net</u> <u>Assets</u>
Primary Government:			
Governmental Activities:			
State Courts	\$ 1,533,603	\$ 1,507,740	\$ (25,863)
Total Governmental Activities	<u>\$ 1,533,603</u>	<u>\$ 1,507,740</u>	(25,863)
Other Revenue			<u>589</u>
Change in Net Assets			(25,274)
Net Position - Beginning of Year			<u>453,360</u>
Net Position - End of Year			<u>\$ 428,086</u>

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2018

ASSETS	Special Revenue Fund
Current Assets	
Cash and Cash Equivalents	\$ 948,240
Prepaid Expenses and Other Assets	<u>4,107</u>
Total Current Assets	<u>\$ 952,347</u>
LIABILITIES AND FUND BALANCE	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ 29,087
Fund Balance	
Restricted Fund Balance	<u>923,260</u>
Total Liabilities and Fund Balance	<u>\$ 952,347</u>
Amounts reported for "Governmental Activities" in Statement of Net Position are different because:	
Fund Balance - Governmental Fund	\$ 923,260
Capital Assets, Net of Depreciation used in Governmental Activities, are not financial resources and therefore are not reported in the fund financial statements.	19,946
Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of:	
Deferred Outflows Related to Pensions	421,889
Deferred Inflows Related to Pensions	(138,067)
Long-term liabilities, including compensated absences and pension, are not due and payable in the current period and therefore are not reported in the fund financial statements.	<u>(798,942)</u>
Net Position of Governmental Activities	<u>\$ 428,086</u>

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Fund
	<hr/>
Revenues	
State Financial Assistance	\$ 1,507,740
Interest Income	589
	<hr/>
Total Revenues	1,508,329
	<hr/>
Expenditures	
Current:	
State Courts:	
Personnel Services	880,148
Expenses	539,855
Capital Outlay	9,740
	<hr/>
Total Expenditures	1,429,743
	<hr/>
Net Change in Fund Balance - Governmental Fund	78,586
	<hr/>
Restricted Fund Balance, September 30, 2017	844,674
	<hr/>
Restricted Fund Balance, September 30, 2018	\$ 923,260
	<hr/> <hr/>

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Net change in Fund Balance - Governmental Fund	\$	78,586
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlay of \$9,740 exceeded depreciation expense of \$5,968 in the current period.

3,772

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in Pension Related Balances

(108,672)

Decrease in Compensated Absences

1,040

Change in Net Position of Governmental Activities	\$	<u><u>(25,274)</u></u>
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FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1: <i>Summary of Significant Accounting Policies</i>
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Reporting Entity

These financial statements are intended to present the financial position and results of operations of the Florida Clerks of Court Operations Corporation (FCCOC). The FCCOC is a blended component unit of the State of Florida and is included in the State of Florida's annual financial report. The financial statements contained herein represent the financial transactions of only the FCCOC.

The 2013 session of the Florida Legislature amended Section 28.35, *Florida Statutes*, making the Florida Clerks of Court Operations Corporation a stand-alone entity separate from the state and financed through a contract with the Department of Financial Services, effective July 1, 2013.

FCCOC is classified as a not-for-profit governmental entity whose activities are accounted for in a special revenue fund. The FCCOC has no component units.

Government-Wide and Fund Accounting

The FCCOC's financial statements have been prepared in accordance with generally accepted accounting principles prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 34 establishes financial reporting requirements for state and local governments throughout the United States. The financial data of the FCCOC is presented in the required GASB format as discussed on the following pages.

Government-Wide Accounting

The government-wide financial statements, including the Statement of Net Position and the Statement of Activities, report information regarding the activities of the FCCOC. Government-wide statements distinguish between government-type and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1: Summary of Significant Accounting Policies (continued)

As a branch of government that does not levy taxes, the FCCOC is funded by an appropriation of the Florida Legislature through a portion of the fees collected by the Clerks of Court for filing a civil action in Circuit Court, as specified in Section 28.241, *Florida Statutes*. The government-wide financial statements present this activity as a special revenue fund.

Fund Accounting

In fund accounting, the diverse nature of governmental operations and the necessity of determining compliance with legal provisions require modification of accounting systems commonly used by commercial enterprises. The FCCOC special revenue fund is considered a separate entity with self-balancing accounts that include, where applicable, its assets, liabilities, fund equity, revenues, expenditures and other financial sources and uses.

Government Fund Type: Special Revenue Fund – Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments or expendable trusts) that are legally restricted to expenditures for specified purposes.

GASB Statement No. 54 requires fund balance reported in the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Within this hierarchy, fund balance is first classified as nonspendable, then restricted, committed, assigned, and unassigned.

- *Nonspendable* – This component of fund balance consists of amounts that cannot be spent because (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- *Restricted* – This component of fund balance consists of amounts that are constrained either (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- *Committed* – This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolution of the FCCOC's board. These committed amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action employed to constrain those amounts.
- *Assigned* – This component of fund balance consists of amounts that are constrained by the FCCOC board's intent to be used for specific purposes, but are neither restricted nor committed.

The FCCOC is a special revenue fund and is a component unit of the State of Florida. The activities of the FCCOC are directed by Florida Statute. Accordingly, the fund balance is classified as restricted.

NOTE 1: *Summary of Significant Accounting Policies (continued)****Net Position***

Net position represents all assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. The FCCOC does not have any amount required to be reported as deferred outflows/inflows of resources as of September 30, 2018. Net position is presented on the Statement of Net Position into the following categories:

- *Net Investment in Capital Assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – Net position subject to externally imposed stipulations on their use.
- *Unrestricted* – All remaining net position that do not meet the definition of “net investment in capital assets” or “restricted”.

When both restricted and unrestricted resources are available for the same purpose, restricted net position are considered to be used first over unrestricted net position.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accounting and financial reporting treatment applied is determined by the type of financial statement presentation.

Measurement Focus

The government-wide statements are reported using an economic resources management focus and accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated.

In the Special Revenue Fund, revenues are based on transfers required by law and actual billings to other governmental agencies and are recognized when they become measurable and available. Expenditures are generally recognized under a modified accrual basis of accounting when the related fund liability is incurred.

Governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

NOTE 1: *Summary of Significant Accounting Policies (continued)****Cash***

Cash consists of demand deposits held at qualified public depositories. Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. Therefore, any amount of the FCCOC's demand deposits in excess of FDIC protection would be fully insured or collateralized.

Capital Assets

In the governmental fund statements, general fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental fund types.

In the government-wide statements, tangible assets used in operations with an initial useful life that extends beyond one year and valued at more than a specified threshold are capitalized. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are not capitalized. Capital assets are depreciated using the straight-line method of depreciation over their estimated useful lives (3-5 years). These assets are reported net of accumulated depreciation on the Statement of Net Position.

Deferred Inflows of Resources

Represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. The FCCOC has deferred inflows of resources related to pension items.

Deferred Outflows of Resources

Represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense) until that future time. The FCCOC has deferred outflows of resources related to pension items.

Support from State Government

The FCCOC received all of its support and revenue from a contract with the State of Florida's Chief Financial Officer. The contract is renewed and/or renegotiated annually. Revenue is recognized as it is received from the Department of Financial Services' CCOC Trust Fund. The CCOC Trust Fund collects court filing fees for Circuit Civil Court cases. The FCCOC receives \$4.50 from each filing fee.

NOTE 1: <i>Summary of Significant Accounting Policies (continued)</i>
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Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires FCCOC to make estimates and assumptions based on analytical methods in determining depreciation and various accruals. Actual results may differ from those estimates.

Subsequent Events

Subsequent events were evaluated through January 23, 2019, which is the date the financial statements were available to be released. As of this date, we were not aware of any other subsequent events.

NOTE 2: <i>Budgetary Process</i>

Pursuant to its Plan of Operation, FCCOC shall adopt an annual operating budget and program work plan for each fiscal year, as recommended by the Executive Council. The program work plan shall clearly outline the annual objectives of the Executive Council relative to duties and responsibilities and provide an anticipated schedule for completion of those objectives. The budget is adopted on the modified accrual basis of accounting.

NOTE 3: <i>Capital Assets</i>

Capital asset activity for the year ended September 30, 2018 was as follows:

	<u>September 30, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2018</u>
Fixed Assets -				
Furniture and Equipment	\$ 79,019	\$ 9,740	\$ -	\$ 88,759
Less Accumulated Depreciation	<u>(62,845)</u>	<u>(5,968)</u>	<u>-</u>	<u>(68,813)</u>
Capital Assets, net	<u><u>\$ 16,174</u></u>	<u><u>\$ 3,772</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,946</u></u>

Depreciation expense of \$5,968 is recorded in the Statement of Activities for the government-wide statements.

NOTE 4: <i>Operating Leases</i>
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The FCCOC has a short-term lease agreement for office space and office equipment. The lease is accounted for as an operating lease. Lease payments are recorded as expenditures of the fund when paid and incurred. Rental expenditures for the year ended September 30, 2018 was \$33,750.

NOTE 5: Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018 is as follows:

	Beginning Balances	Additions	Payments	Ending Balances	Current Portion of Long-term Liabilities
Accrued Leave Liability	\$ 89,787	\$ 61,100	\$ (62,140)	\$ 88,747	\$ 17,749
Pension Liability	730,208	43,039	(63,052)	710,195	-
Total Long-Term Debt	<u>\$ 819,995</u>	<u>\$ 104,139</u>	<u>\$ (125,192)</u>	<u>\$ 798,942</u>	<u>\$ 17,749</u>

NOTE 6: Florida Retirement System Plans

Florida Retirement System:

General Information – All of the FCCOC’s employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

NOTE 6: *Florida Retirement System Plans (continued)***Pension Plan**

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

NOTE 6: Florida Retirement System Plans (continued)

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular—7.92% and 8.26%; Senior Management Service—22.71% and 24.06%; and DROP participants—13.26% and 14.03%. These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively.

The FCCOC's contributions, including employee contributions, to the Pension Plan totaled \$52,392 for the fiscal year ended September 30, 2018.

The FCCOC recognizes pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions on the accrual basis of accounting. At September 30, 2018, the FCCOC reported a liability of \$521,823 for their proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The FCCOC's proportionate share of the net pension liability was based on the FCCOC's 2017-18 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the FCCOC's proportionate share for all funds was 0.0017 percent.

For the fiscal year ended September 30, 2018, the FCCOC recognized pension expense of \$82,975. In addition, these activities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 44,207	\$ 1,604
Changes of Assumptions	170,506	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	40,317
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	109,424	75,909
Pension Plan Contributions Subsequent to the Measurement Date	15,080	-
Total	<u>\$ 339,217</u>	<u>\$ 117,830</u>

NOTE 6: Florida Retirement System Plans (continued)

The Pension Plan's deferred outflows of resources related to the FCCOC's contributions to the Plan subsequent to the measurement date, totaling \$15,080 will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year ended June 30:	FRS Amount
2019	\$ 79,932
2020	54,550
2021	7,606
2022	36,323
2023	24,288
Thereafter	3,607
Total	<u>\$ 206,306</u>

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

The long-term expected rate of return was decreased from 7.10% to 7.00%, and the active member mortality assumption was updated.

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

NOTE 6: Florida Retirement System Plans (continued)
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<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.9%	2.9%	1.8%
Fixed Income	18.0%	4.4%	4.3%	4.0%
Global Equity	54.0%	7.6%	6.3%	17.0%
Real Estate (Property)	11.0%	6.6%	6.0%	11.3%
Private Equity	10.0%	10.7%	7.8%	26.5%
Strategic Investments	6.0%	6.0%	5.7%	8.6%
Total	<u>100%</u>			
Assumed Inflation - Mean			2.6%	1.9%

(1) As outlined in the Pension Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the FCCOC's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the FCCOC's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	FRS Net Pension Liability		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Plan Liability	\$ 952,348	\$ 521,823	\$ 164,246

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

NOTE 6: *Florida Retirement System Plans (continued)***HIS Plan**

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018 was 1.66% and 1.66%, respectively. The FCCOC contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The FCCOC's contributions to the HIS Plan totaled \$10,120 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The basis of accounting and financial reporting of the FCCOC's HIS Plan is identical to that of the FCCOC's Pension Plan. At September 30, 2018, the FCCOC reported a liability of \$188,372 for their proportionate share of the FCCOC's HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The FCCOC's proportionate share of the net pension liability was based on the FCCOC's 2017-18 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2018, the FCCOC's proportionate share of all funds was 0.00018 percent rounded.

For the fiscal year ended September 30, 2018, the FCCOC recognized pension expense of \$25,697. In addition, these activities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 6: Florida Retirement System Plans (continued)

	HIS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,884	\$ 320
Changes of Assumptions	20,949	19,917
Net Difference Between Projected and Actual Earnings on HIS Plan		
Investments	114	-
Changes in Proportion and Differences Between HIS Plan		
Contributions and Proportionate Share of Contributions	55,917	-
HIS Plan Contributions Subsequent to the Measurement Date	2,808	-
Total	<u>\$ 82,672</u>	<u>\$ 20,237</u>

The deferred outflows of resources related to the HIS Plan resulting from the FCCOC's contributions to the HIS Plan subsequent to the measurement date, totaling \$2,808, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources related to the HIS Plan will be recognized as pension expense as follows:

Year ended June 30:	HIS Amount
2019	\$ 41,645
2020	41,491
2021	29,067
2022	6,529
2023	(40,525)
Thereafter	(18,579)
Total	<u>\$ 59,628</u>

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87 %

The municipal bond rate used to determine total pension liability was increased from 2.87% to 3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

NOTE 6: <i>Florida Retirement System Plans (continued)</i>

Discount Rate – The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the FCCOC's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the FCCOC's proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	HIS Net Pension Liability		
	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Proportionate Share of the Net HIS Plan Liability	\$ 214,545	\$ 188,372	\$ 166,556

Pension Plan Fiduciary Net Position – Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

NOTE 6: *Florida Retirement System Plans (continued)***Investment Plan**

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2017-18 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30% and Senior Management Service class 7.67%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the FCCOC.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The FCCOC's Investment Plan pension expense totaled \$269,691 for the fiscal year ended September 30, 2018.

**REQUIRED SUPPLEMENTARY
INFORMATION**

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF THE FCCOC PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2018	2017	2016	2015	2014
FCCOC's proportion of the net pension liability	0.001732449%	0.001858821%	0.002392839%	0.001867358%	0.001691518%
FCCOC's proportionate share of the net pension liability	\$ 521,823	\$ 549,827	\$ 604,194	\$ 241,194	\$ 103,207
FCCOC's covered-employee payroll	\$ 264,015	\$ 297,968	\$ 297,903	\$ 282,374	\$ 262,967
FCCOC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	197.65%	184.53%	202.82%	85.42%	39.25%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous five years.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF THE FCCOC'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 52,392	\$ 48,390	\$ 58,353	\$ 45,528	\$ 37,051
Contributions in relation to the contractually required contribution	(52,392)	(48,390)	(58,353)	(45,528)	(37,051)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
FCCOC's covered-employee payroll	\$ 264,015	\$ 297,968	\$ 297,903	\$ 282,374	\$ 262,967
Contributions as a percentage of covered-employee payroll	19.84%	16.24%	19.59%	16.12%	14.09%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous five years.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF THE FCCOC PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS***

	2018	2017	2016	2015	2014
FCCOC's proportion of the net pension liability	0.001779764%	0.001686976%	0.001685738%	0.001633944%	0.001527621%
FCCOC's proportionate share of the net pension liability	\$ 188,372	\$ 180,381	\$ 196,466	\$ 166,637	\$ 142,836
FCCOC's covered-employee payroll	\$ 264,015	\$ 297,968	\$ 297,903	\$ 282,374	\$ 262,967
FCCOC's proportionate share of the net pension liability as a percentage of its covered-employee payroll	71.35%	60.54%	65.95%	59.01%	54.32%
Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous five years.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF THE FCCOC'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS***

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 10,120	\$ 8,928	\$ 8,640	\$ 6,246	\$ 5,233
Contributions in relation to the contractually required contribution	(10,120)	(8,928)	(8,640)	(6,246)	(5,233)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
FCCOC's covered-employee payroll	\$ 264,015	\$ 297,968	\$ 297,903	\$ 282,374	\$ 262,967
Contributions as a percentage of covered-employee payroll	3.83%	3.00%	2.90%	2.21%	1.99%

* The amounts presented for each fiscal year were determined as of 6/30.

No data is available for the previous five years.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Governmental Fund			
	Special Revenue			
	Budgeted Amounts			Variance -
	Original	Final	Actual	Favorable
				(Unfavorable)
Revenues:				
State Financial Assistance	\$ 1,617,097	\$ 1,617,097	\$ 1,507,740	\$ (109,357)
Interest Income	-	-	589	589
Total Revenues	<u>1,617,097</u>	<u>1,617,097</u>	<u>1,508,329</u>	<u>(108,768)</u>
Expenditures:				
Current				
State Courts:				
Personnel Services	821,949	821,949	880,148	(58,199)
Expenses	795,148	795,148	539,855	255,293
Operating Capital Outlay	-	-	9,740	(9,740)
Total Expenditures	<u>1,617,097</u>	<u>1,617,097</u>	<u>1,429,743</u>	<u>187,354</u>
Net Change in Fund Balance - Governmental Fund	<u>\$ -</u>	<u>\$ -</u>	78,586	<u>\$ 78,586</u>
Restricted Fund Balance, Beginning of Year			<u>844,674</u>	
Restricted Fund Balance, End of Year			<u>\$ 923,260</u>	

**REPORTS REQUIRED UNDER
GOVERNMENT AUDITING STANDARDS
AND CHAPTER 10.550, *RULES OF*
*THE AUDITOR GENERAL***

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS
www.lanigancpa.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Florida Clerks of Court Operations Corporation
Tallahassee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Florida Clerks of Court Operations Corporation, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Florida Clerks of Court Operations Corporation's basic financial statements, and have issued our report thereon dated January 23, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Florida Clerks of Court Operations Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Florida Clerks of Court Operations Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Florida Clerks of Court Operations Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Report on Internal Control
Page Two

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Florida Clerks of Court Operations Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida
January 23, 2019

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS ADVISORS
www.lanigancpa.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

To the Board of Directors
Florida Clerks of Court Operations Corporation
Tallahassee, Florida

Report on Compliance for Each Major State Project

We have audited Florida Clerks of Court Operations Corporation's compliance with the types of compliance requirements described in the *Department of Financial Service's State Projects Compliance Supplement* that could have a direct and material effect on each of the Florida Clerks of Court Operations Corporation's major state projects for the year ended September 30, 2018. Florida Clerks of Court Operations Corporation's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Florida Clerks of Court Operations Corporation's major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about Florida Clerks of Court Operations Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of the Florida Clerks of Court Operations Corporation's compliance.

Report on Compliance
Page Two

Opinion on Each Major State Project

In our opinion, Florida Clerks of Court Operations Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2018.

Report on Internal Control over Compliance

Management of Florida Clerks of Court Operations Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Florida Clerks of Court Operations Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Florida Clerks of Court Operations Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida
January 23, 2019

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>STATE:</u>			
<u>State of Florida, Department of Financial Services</u>			
FCCOC/CFO Contract	N/A	N/A	<u>\$ 1,533,603</u>
TOTAL STATE FINANCIAL ASSISTANCE EXPENDED			<u>\$ 1,533,603</u>

NOTES:

- (1) The Schedule of Expenditures of State Financial Assistance was prepared on the accrual basis of accounting.
- (2) The program does not utilize sub-recipients.

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

SECTION I - SUMMARY OF AUDIT RESULTS

1. Type of Audit Report issued on the Financial Statements

Unmodified

2. Significant Deficiencies and/or Material Weaknesses in Internal Control

None noted

3. Noncompliance Material to Audited Financial Statements

Audit disclosed no material instances of noncompliance

4. Significant Deficiencies and/or Material Weaknesses in Internal Control Over the Major State Project

None noted

5. Type of Audit Report Issued on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major State Project

Unmodified Opinion

6. Audit Findings Relative to the Major State Project

The audit disclosed no findings required to be reported under Major State Projects

7. Major State Projects

State Project

State of Florida, Department of Financial Services
FCCOC/CFO Contract

8. Threshold

The threshold for distinguishing Type A or Type B programs was \$750,000

9. Auditee Risk Assessment

The organization qualified as a low risk auditee

**FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III – STATE PROJECT FINDINGS AND QUESTIONED COSTS

None Reported.

SECTION IV – PRIOR YEAR AUDIT FINDINGS

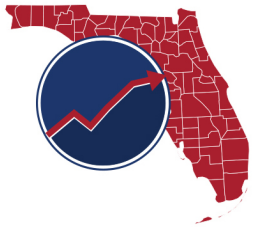
None Reported.

**CCOC Budgetary Report
County Fiscal Year 2018 - 2019
(October 1, 2018 - September 30, 2019)**

	Budget Category Amount	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Year to Date Expenditures	(%) of Budget Expended
CCOC STAFF:	\$864,441.46	\$81,695.35	\$86,254.59	\$62,971.05	\$66,029.87	\$66,267.38	\$79,877.37	\$68,666.09	\$67,451.01	\$579,212.71	67.00%
Executive Director	\$134,543.00	\$10,010.67	\$10,010.67	\$10,010.67	\$10,010.67	\$10,010.67	\$17,218.17	\$11,211.92	\$11,211.92	\$89,695.36	66.67%
Deputy Executive Director	\$106,019.00	\$8,834.92	\$8,834.92	\$8,834.92	\$8,834.92	\$8,834.92	\$8,834.92	\$8,834.92	\$8,834.92	\$70,679.36	66.67%
Information Systems Director	\$80,500.00	\$13,312.80	\$7,120.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,433.60	25.38%
Budget & Communications Director	\$82,915.00	\$6,708.33	\$6,708.33	\$6,708.33	\$7,269.28	\$6,909.58	\$6,909.58	\$6,909.58	\$6,909.58	\$55,032.59	66.37%
Budget Manager I	\$37,867.60	\$3,155.63	\$3,155.63	\$3,155.63	\$3,155.63	\$3,155.63	\$3,155.63	\$3,155.63	\$3,155.63	\$25,245.04	66.67%
Budget Manager I	\$46,865.00	\$3,935.42	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$31,273.36	66.73%
Budget Manager I	\$46,865.00	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$3,905.42	\$31,243.36	66.67%
Sr.Budget Manager	\$67,380.48	\$5,615.04	\$5,615.04	\$5,615.04	\$5,615.04	\$5,615.04	\$5,615.04	\$5,615.04	\$5,615.04	\$44,920.32	66.67%
Executive Assistant/Human Resources	\$40,500.00	\$2,991.79	\$2,991.79	\$2,991.79	\$2,991.79	\$3,375.00	\$3,375.00	\$3,375.00	\$3,375.00	\$25,467.16	62.88%
Internal Revenue(Corporation Responsibility)	\$50,000.00	\$4,402.87	\$4,835.13	\$3,819.71	\$3,801.57	\$4,013.62	\$4,233.25	\$4,226.68	\$3,754.26	\$33,087.09	66.17%
Retirement, Benefits, Workers' Comp and Other	\$190,000.00	\$18,822.46	\$29,171.44	\$14,024.12	\$16,540.13	\$16,542.08	\$22,724.94	\$17,526.48	\$16,783.82	\$152,135.47	80.07%
OPS STAFF:	\$22,000.00	\$936.25	\$4,076.25	\$6,408.75	\$5,931.25	\$10,130.00	\$5,811.25	\$3,786.25	\$4,128.75	\$41,208.75	187.31%
GENERAL EXPENSES:	\$85,159.54	\$5,343.74	\$4,429.76	\$4,716.91	\$3,716.26	\$4,076.50	\$6,539.19	\$6,584.47	\$6,628.22	\$42,035.05	49.36%
Rent (including Utilities)	\$45,159.54	\$3,023.50	\$3,368.74	\$3,474.97	\$3,311.23	\$3,339.56	\$3,324.18	\$3,331.26	\$3,365.41	\$26,538.85	58.77%
Communications (+ Internet and Phone)	\$5,000.00	\$437.56	\$237.97	\$346.52	\$306.63	\$393.10	\$303.41	\$302.05	\$320.50	\$2,647.74	52.95%
Equipment, Supplies and Other	\$35,000.00	\$1,882.68	\$823.05	\$895.42	\$98.40	\$343.84	\$2,911.60	\$2,951.16	\$2,942.31	\$12,848.46	36.71%
TRAVEL:	\$60,400.00	\$2,834.72	\$666.82	\$940.78	\$1,152.51	\$3,978.89	\$3,243.58	\$3,023.51	\$683.08	\$16,523.89	27.36%
STAFF TRAINING:	\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
CONTRACTUAL EXPENSES:	\$225,563.00	\$12,332.06	\$12,015.27	\$10,030.84	\$14,097.50	\$18,007.50	\$8,511.50	\$8,680.00	\$8,822.50	\$92,497.17	41.01%
General Counsel	\$111,000.00	\$6,177.50	\$7,015.00	\$6,182.50	\$6,662.50	\$5,020.00	\$3,387.50	\$2,565.00	\$3,087.50	\$40,097.50	36.12%
FY 18-19 Survey, Reporting, and Other Services	\$103,563.00	\$6,154.56	\$5,000.27	\$3,848.34	\$7,435.00	\$4,987.50	\$5,124.00	\$6,115.00	\$5,735.00	\$44,399.67	42.87%
Audit Services	\$11,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,000.00	\$0.00	\$0.00	\$0.00	\$8,000.00	72.73%
EDUCATION SERVICES	\$354,533.00	\$0.00	\$0.00	\$40,770.00	\$61,770.00	\$0.00	\$0.00	\$0.00	\$101,100.00	\$203,640.00	57.44%
TOTALS:	\$1,617,097.00	\$103,142.12	\$107,442.69	\$125,838.33	\$152,697.39	\$102,460.27	\$103,982.89	\$90,740.32	\$188,813.56	\$975,117.57	60.30%

*CCOC has the authority to revise category amounts due to established Legislative Budget Authority.

J. De
6/12/19
WB
6/12/19



AGENDA ITEM 7

DATE: June 24, 2019

SUBJECT: Tentative Council Meeting Dates and Workplan for CFY 19-20

CORPORATION ACTION: For information

Overview:

Tentative Council Meeting Dates: The CCOC Plan of Operation in Section 1.5 requires that at the annual Corporation meeting the Council shall establish a schedule of all regular meetings for the coming year. Historically, the CCOC has attempted to arrange all Council meetings with the FCCC training schedule to make it more convenient for Clerks and staff to attend meetings. Therefore, the Council usually provides a list of tentative meeting dates based on the FCCC calendar.

We contacted the FCCC and they provided us a tentative calendar to help us coordinate meetings. Below are the potential meeting dates which could be subject to change.

August-September 2019 - The Council will determine what dates to meet during this time to receive recommendations from the Budget Committee to approve Clerk's budgets.

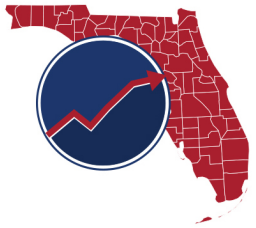
October 1st, 2019 - Executive Council Meeting. Location: Tradewinds, St. Pete Beach. The meeting would take place a day prior to the 2019 Fall Conference.

February 25th, 2019 - Executive Council Meeting. Location: Wyndham Lake Buena Vista, Disney Springs, Orlando. The meeting would take place a day prior to the 2020 Winter Conference.

June 22, 2020 - Executive Council Meeting. Location: Sawgrass Marriott, Ponte Vedra. The meeting would take place a day prior to the 2020 Summer Conference.

CCOC Workplan: Priorities for CFY 19-20 for the CCOC office are below. These priorities are subject to change contingent on the Executive Council leadership and direction, legislative actions, and other factors.

1. If requested, be prepared to provide data and historical information to OPPAGA and their vendor for the legislatively required review of the Clerk of Court processes.
2. Per new legislative requirement, work with Clerks to provide data to the CCOC that conduct a reinstatement of a driver's license program in order to have this data as part of the CCOC's annual report.
3. Continue to implement as possible CCOC Office Organizational Restructure, staffing plan, and salaries based on Evergreen Study.
4. Develop a long-range 5-year strategy plan for the Corporation Office.
5. Review and implementation of revised Office Policies and Procedures.
6. Continue to work with Clerks on verifying and documenting Clerk's case-related workload.
7. Per legislative requirement, continue to coordinate with OSCA for the operation, maintenance, and enhancement of an information technology platform to electronically transmit alert reminders and information to individuals involved with the state court system.
8. Continue working with State and Clerks on Juror funding program. Seek a more streamlined and less complicated process. Both for the budget side and the allocation method.
9. Continue to work on funding options for Clerks to help assure long-term stable funding.
10. Continue to work with FCCC leadership in seeking joint solutions to help resolve Clerk's issues and working with the Legislature.
11. Continue to provide professional support to the Clerks, Legislature, and other entities seeking information related to Clerk's budgets and performance.
12. Staffing various CCOC Committees and Executive Council.
13. Continue improvement of CCOC Website, social media forms, and branding.



CCOC

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

Stacy Butterfield, CPA
POLK COUNTY
EXECUTIVE COUNCIL CHAIR

Tara S. Green
CLAY COUNTY
VICE-CHAIR

JD Peacock, II
OKALOOSA COUNTY
SECRETARY/TREASURER

JOHN CRAWFORD
NASSAU COUNTY

HARVEY RUVIN, ESQ.
MIAMI-DADE COUNTY

VACANT
HOUSE APPOINTEE

PAT FRANK
HILLSBOROUGH COUNTY

RON FICARROTTA
13TH JUDICIAL CIRCUIT JUDGE
SUPREME COURT APPOINTEE

JOHN DEW
EXECUTIVE DIRECTOR

TODD NEWTON
GILCHRIST COUNTY

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AGENDA ITEM 8

DATE: June 24, 2019

SUBJECT: Proposed CFY 19-20 Corporation Budget

CORPORATION ACTION: For information only

OVERVIEW:

The Corporation Plan of Operations requires that the 'Corporation, at its annual meeting shall adopt an annual operating budget and program work plan for each fiscal year as presented by the Executive Director and recommended by the Council'. The Council will be reviewing the attached draft CFY 19-20 budget and will make a recommendation to the Corporation members at the June 24th Annual Meeting.

The Corporation Budget (\$1,617,097) has not increased in nearly 10 years and is operating on less budget authority than it had in the 09-10 budget (\$1,730,586). For the first time in 10 years we are seeking a budget increase; however, the significant majority of these dollars are for a one-time non-recurring cost. The budget request is for \$1,732,097. We are requesting a one-time expense of approximately \$100,000 to hire a consultant related to the establishment of a stable database as our current PABS database is unusable. We also are requesting dollars for any payout if the Council approves the Corporation office of moving to a PTO policy. This would be approximately \$45,000 and be a one-time non-recurring cost. Finally, we ask that the Council agree to having approximately \$18,000 in the budget if during the year the Council approves any cost of living, merit increases, or salaries bumps in order to bring some staff pay up to the salaries recommended by the Evergreen Study.

There will be sufficient revenues to support the increase to \$1,732,097.

Goals of the CCOC Office this coming year include finding methods to help eliminate the amount of work required of Clerks' staff to provide reports to the CCOC by development of a database and potentially having data provided by CCIS; limit CCOC position vacancies during the year; complete an update of the CCOC Office Pay and Classification Policy Manual; and develop a five-year strategic plan for the CCOC that will provide goals and measures to meet our statutory responsibilities.

ATTACHMENT:

- 1) CCOC CFY 18-19 Budget Request

DRAFT

CCOC Budget County Fiscal Year 2018-2019
(October 1, 2018 - September 30, 2019)

	Budget Category Amount
CCOC STAFF:	\$864,441.46
Executive Director	\$120,128.00
Deputy Executive Director	\$106,019.00
*IT Services Manager	\$80,500.00
Budget and Communications Director	\$82,915.00
Budget Manager II	\$67,380.48
Budget Manager I	\$37,867.50
Budget Manager I	\$46,865.00
Budget Manager I	\$46,865.00
Executive Assistant/Human Resources	\$35,901.48
Internal Revenue(Corporation Responsibility)	\$50,000.00
Retirement, Benefits, Workers' Comp and Other	\$190,000.00
OPS STAFF:	\$22,000.00
GENERAL EXPENSES:	\$85,159.54
Rent (including Utilities)	\$45,159.54
Communications (+ Internet and Phone)	\$5,000.00
Equipment, Supplies and Other	\$35,000.00
TRAVEL:	\$60,400.00
STAFF TRAINING:	\$5,000.00
CONTRACTUAL EXPENSES:	\$225,563.00
General Counsel	\$111,000.00
FY 19-20 Survey, Reporting, and Other Services	\$103,563.00
Audit Services	\$11,000.00
EDUCATION SERVICES:	\$354,533.00
TOTALS:	\$1,617,097.00

CCOC Budget Request County Fiscal Year 2019-2020
(October 1, 2019 - September 30, 2020)

	Budget Category Amount
CCOC STAFF:	\$ 874,441.46
Executive Director	\$134,543.00
Deputy Executive Director	\$106,019.00
Budget and Communications Director	\$82,915.00
Senior Budget Manager	\$67,380.48
Budget Manager I	\$37,867.50
Budget Manager I	\$46,865.00
Budget Manager I	\$46,865.00
Human Resources/Finances/Assistant	\$40,500.00
Internal Revenue(Corporation Responsibility)	\$55,000.00
Retirement, Benefits, Workers' Comp and Other**	\$256,486.48
OPS STAFF:	\$22,000.00
GENERAL EXPENSES:	\$85,159.54
Rent (including Utilities)	\$45,159.54
Communications (+ Internet and Phone)	\$5,000.00
Equipment, Supplies and Other	\$35,000.00
TRAVEL:	\$60,400.00
STAFF TRAINING:	\$5,000.00
CONTRACTUAL EXPENSES:	\$330,563.00
General Counsel	\$111,000.00
***FY 17-18 Survey, Reporting, and Other Services	\$203,563.00
Audit Services	\$16,000.00
EDUCATION SERVICES:	\$354,533.00
TOTALS:	\$1,732,097.00

*IT Services Manager Position was deleted during FY 18/19 . This position will not appear on the 19-20 Budget.

** We have included dollars for pay out if Council approves transition to PTO process. Also 3% merit or COL for employees if approved by Council at a later date.

*** We expect to hire a technology consultant group to help develop a data base for Clerks to more easily submit data and CCOC/Clerks access such data. \$100,000 non-recurring